

AMENDED IN ASSEMBLY MARCH 12, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 443**

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**Introduced by Assembly Member Lowenthal**

February 19, 2013

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An act to amend Section 12419.10 of the Government Code, and *to amend* Sections 4764 and 4774 of, *and to add Section 4767 to*, the Vehicle Code, relating to vehicles.

### LEGISLATIVE COUNSEL'S DIGEST

AB 443, as amended, Lowenthal. Vehicles: delinquent parking and traffic violations.

(1) Existing law requires the Controller, to the extent feasible, to offset any amount overdue and unpaid for a fine, penalty, assessment, bail, vehicle parking penalty, or court-ordered reimbursement for court-related services, from a person or entity, against any amount owing the person or entity by a state agency on a claim for a refund from the Franchise Tax Board under the Personal Income Tax Law or the Bank and Corporation Tax Law, or from winnings in the California State Lottery. Existing law requires a request for an offset to be submitted within 3 years of the date the penalty was incurred, and prohibits a local agency, once an offset request is made, from accruing additional specified charges. Existing law requires the payment of an offset request to be conditioned as constituting full and final payment of that offset.

This bill would delete the requirement that an offset request is required to be submitted within 3 years of the date the penalty was incurred. ~~This bill would delete the prohibition imposed upon a local agency with~~

~~regard to the accrual of additional charges and the condition for the payment of an offset request.~~

(2) Existing law generally prohibits the Department of Motor Vehicles (DMV) from registering a vehicle if the registered owner or lessee has failed to pay outstanding parking or toll evasion penalties unless the registered owner or lessee pays the penalties at the time of the application for renewal. Under existing law, the DMV is not required to continue to attempt collection of outstanding parking or toll evasion penalties if a vehicle is transferred or *the registration is* not renewed for 2 renewal periods and the DMV has notified each local jurisdiction that is owed penalties of that fact.

This bill would not excuse the DMV from continuing to attempt collection of outstanding parking or toll evasion penalties if the vehicle was sold to a relative, as specified, or to a revocable trust, as specified. *The bill would also prohibit the department from transferring the ownership and registration of a vehicle to a relative, as specified, or to a revocable trust, as specified, if delinquent parking or toll violations have been reported to the department, unless the transferee pays the amount of the fines and penalties for those violations to the department, or provides specified documentation showing the fines and penalties have been cleared.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 12419.10 of the Government Code is  
2     amended to read:  
3     12419.10. (a) The Controller shall, to the extent feasible, offset  
4     any amount overdue and unpaid for a fine, penalty, assessment,  
5     bail, vehicle parking penalty, or court-ordered reimbursement for  
6     court-related services, from a person or entity, against any amount  
7     owing the person or entity by a state agency on a claim for a refund  
8     from the Franchise Tax Board under the Personal Income Tax Law  
9     or the Bank and Corporation Tax Law, from winnings in the  
10    California State Lottery, or a cash payment of a claim for  
11    unclaimed property held by the state. Standards and procedures  
12    for submission of requests for offsets shall be as prescribed by the  
13    Controller. Whenever insufficient funds are available to satisfy an  
14    offset request, the Controller, after first applying the amounts

1 available to any amount due a state agency, may allocate the  
2 balance among any other requests for offset.

3 *(b) Once an offset request for a vehicle parking penalty is made,*  
4 *a local agency may not accrue additional interest charges,*  
5 *collection charges, penalties, or other charges on or after the date*  
6 *that the offset request is made. Payment of an offset request for a*  
7 *vehicle parking penalty shall be made on the condition that it*  
8 *constitutes full and final payment of that offset.*

9 ~~(b)~~

10 (c) The Controller shall deduct and retain from any amount  
11 offset in favor of a city or county an amount sufficient to reimburse  
12 the Controller, the Franchise Tax Board, the California State  
13 Lottery, and the Department of Motor Vehicles for their  
14 administrative costs of processing the offset payment.

15 ~~(e)~~

16 (d) Notwithstanding Chapter 3.5 (commencing with Section  
17 6250) of Division 7 of Title 1, or any other provision of law, the  
18 social security number of any person obtained pursuant to Section  
19 4150, 4150.2, or 12800 of the Vehicle Code is not a public record  
20 and shall only be provided by the Department of Motor Vehicles  
21 to an authorized agency for the sole purpose of making an offset  
22 pursuant to this section for any unpaid vehicle parking penalty or  
23 any unpaid fine, penalty, assessment, or bail of which the  
24 Department of Motor Vehicles has been notified pursuant to  
25 subdivision (a) of Section 40509 of the Vehicle Code or Section  
26 1803 of the Vehicle Code, responding to information requests from  
27 the Franchise Tax Board for the purpose of tax administration, and  
28 responding to requests for information from an agency, operating  
29 pursuant to and carrying out the provisions of, Part A (Block Grants  
30 to States for Temporary Assistance for Needy Families), or Part  
31 D (Child Support and Establishment of Paternity) of Subchapter  
32 IV of Chapter 7 of Title 42 of the United States Code. As used in  
33 this section, “authorized agency” means the Controller, the  
34 Franchise Tax Board, or the California Lottery Commission.

35 SEC. 2. Section 4764 of the Vehicle Code is amended to read:

36 4764. (a) If a vehicle is ~~transferred, except if the transfer is~~  
37 ~~one described in Section 6285 of the Revenue and Taxation Code,~~  
38 *transferred or the registration is not renewed for two renewal*  
39 *periods and the former registered owner or lessee of the vehicle*  
40 *owes a parking penalty for a notice of delinquent parking violation*

1 filed with the department pursuant to Section 40220, the department  
2 shall notify each jurisdiction of that fact and is not required  
3 thereafter to attempt collection of the undeposited parking penalty  
4 and administrative fees.

5 *(b) This section does not apply if the transfer of a vehicle is one*  
6 *described in Section 6285 of the Revenue and Taxation Code.*

7 SEC. 3. Section 4767 is added to the Vehicle Code, to read:

8 4767. (a) If delinquent parking or toll violations have been  
9 reported to the department for a vehicle for which a transfer of  
10 ownership and registration has been requested, the department  
11 shall not transfer ownership and registration unless the transferee  
12 requesting the transfer pays all of the fines and penalties for those  
13 violations to the department, or provides an original abstract or  
14 notice of disposition from the court or designated processing  
15 agency that the fines and penalties for those violations have been  
16 cleared with the parking agency or the court.

17 *(b) This section only applies if the transfer requested is one*  
18 *described in Section 6285 of the Revenue and Taxation Code.*

19 ~~SEC. 3.~~

20 SEC. 4. Section 4774 of the Vehicle Code is amended to read:

21 4774. (a) If a vehicle is ~~transferred, except if the transfer is~~  
22 ~~one described in Section 6285 of the Revenue and Taxation Code,~~  
23 *transferred* or the registration is not renewed for two renewal  
24 periods and the former registered owner or lessee of the vehicle  
25 owes a toll evasion penalty for a notice of delinquent toll evasion  
26 violation filed with the department pursuant to Section 40267, the  
27 department shall notify each jurisdiction of that fact and is not  
28 required thereafter to attempt collection of the undeposited toll  
29 evasion penalty and administrative fees.

30 *(b) This section does not apply if the transfer of a vehicle is one*  
31 *described in Section 6285 of the Revenue and Taxation Code.*